

Introducing Interactive Data



The eXtensible Business Reporting
Language for Today

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What is XBRL?

XBRL is the emerging "language of choice" for financial and business reporting. Here's how your company can start speaking it.

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"Interactive data," technically known as XBRL, is on the verge of becoming the global standard for financial reporting. It transforms the data in financial statements into interactive, intelligent, and actionable information.

This white paper is a basic primer for corporate managers and financial professionals who need to understand how our world is changing, how you will benefit, and how your company can keep up with the revolution – or help lead the change. It answers what everyone is asking:

- What is eXtensible Business Reporting Language (XBRL)?
- How does XBRL affect my company and my role?
- How can my company start using interactive data? (Are our financial statements already available in XBRL without us even knowing about it?)
- How fast is the transformation coming?

Executive summary

A significantly improved language for financial and business reporting is rapidly being adopted by corporations and regulatory agencies worldwide.

It is XBRL.

It does not force any changes in the way companies manage their businesses. It is not a new accounting standard. Rather, it is simply a new format for data. It makes company information more accurate, more transparent, and faster to aggregate and report. It makes data easier to analyze. And, for the first time, it allows computers to identify and analyze corporate financial data automatically and in real-time. This is an historic achievement.

Unlike the many electronic advances that have vastly increased the volumes of data, XBRL vastly increases the clarity of data. XBRL data is the most accurate and timely in the marketplace with the lowest error rate of any available dataset.

The name of this reporting language is deceiving because XBRL does not require technical expertise to use it—any more than you need to be a computer programmer in order to browse the Internet. A better name for XBRL is the one adopted by the U.S. Securities and Exchange Chairman Christopher Cox. He calls it “interactive data” and promotes it as the future of financial reporting.

Interactive data can be used right now, in commonly available programs such as Microsoft Excel, Cartesis 10, EDGAR Online's I•Metrix, and other analytical applications. XBRL software is used to create company data in XBRL format or is used to transform existing data. A few clicks, and you'll wonder how we ever gathered, shared, or analyzed financial information without it. You'll immediately understand the pressure and top-level industry support for its adoption by all U.S. corporations. And you'll begin to see just how profoundly eXtensible Business Reporting Language is about to change our world.

The Basics

What is XBRL?

A: Think of XBRL as bar coding for financial statements. Every piece of data is linked to explanatory information. You don't just get numbers; you get context. It's a universal language, adaptable to any nation's accounting standards and requirements.

Q: Why do we need XBRL-tagged data?

A: For starters, it makes reporting faster, less costly, more accurate, and more transparent. It automates the analysis of corporate performance, with no re-keying of data into spreadsheets or models. But this is just the beginning.

Q: Who benefits from this new way of financial reporting?

A: Everyone in the entire supply chain benefits. That includes everyone who needs to gather and report financial information; everyone who reviews, vets, or analyzes it; and everyone who relies on its accuracy—around the world.

Q: How does my company start using XBRL?

A: Your company's business information may already be available in XBRL. EDGAR Online automatically converts documents filed by over 10,000 publicly traded corporations with the Securities and Exchange Commission. This is currently being used by financial analysts worldwide using Microsoft Excel and other XBRL-capable applications.

What is XBRL?

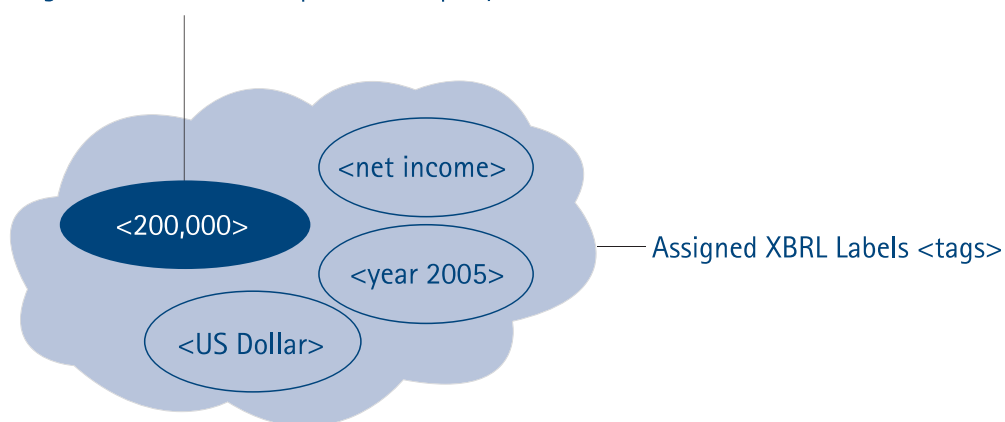
XBRL is simply a group of standardized labels.

Accountants around the world agreed on these labels, which are written in a format that computers can identify. Companies can also extend the list of standardized labels to meet their own unique reporting requirements. So we start with a financial statement such as a balance sheet and then, using the appropriate software, automatically assign one or more labels to each and every piece of data. Nothing is overlooked and everything gets labeled: numbers, text, even the tiniest, most obtuse footnote.

These accounting labels enrich our understanding of financial disclosures. A company might announce, for example, that it produced \$4.2 MM in 2006, but what does that number mean? Was it the company's revenue? Cost of goods sold? The gross margin? The CEO's salary? The XBRL tag associated with that number explains that the \$4.2 MM represents third-quarter revenue from credit card fees for the year 2006. This is a very simple example, but if you consider that there are over 1800 unique XBRL labels, you can begin to see the unprecedented degree of granularity we now have for identifying and analyzing financial data.

Standardized labels identify the meaning of every number

Original Data Item to Reported Company Data



Here, the basic data point, <200,000>, is enriched by XBRL "tags" that fully explain the context of the number: it is net income from the year 2005 and it is reported in U.S. dollars. The labels form a relevant context or structure (such as a particular chart of accounts). Tagged data can be extracted for use in other reports, analytical software, and databases and still maintain its original, meaningful context. The labels are standardized regardless of company, industry, country or accounting regulations.

With XBRL tags, the source and meaning of every data point in a financial report is forever clear and never lost – even if the data is extracted from the original document for use in other analytical applications. This is a straight-forward but stunning advance in the quality and transparency of the corporate financial and operational data that the business world relies on.

Bar coding for financial statements

Another way to understand XBRL is to think of it as bar coding for financial statements. Bar coding revolutionized the retail industry, just as XBRL is impacting the financial industry.

There is another similarity between XBRL and bar coding. It is a universally accepted open standard. It is not a VHS versus Beta situation where investments in the wrong technology could be wasted or only some companies own it. XBRL is a voluntary language. Given its clear advantages, U.S. corporations are expected to adopt XBRL for communicating business and financial reporting data even faster than they adopted the Internet.

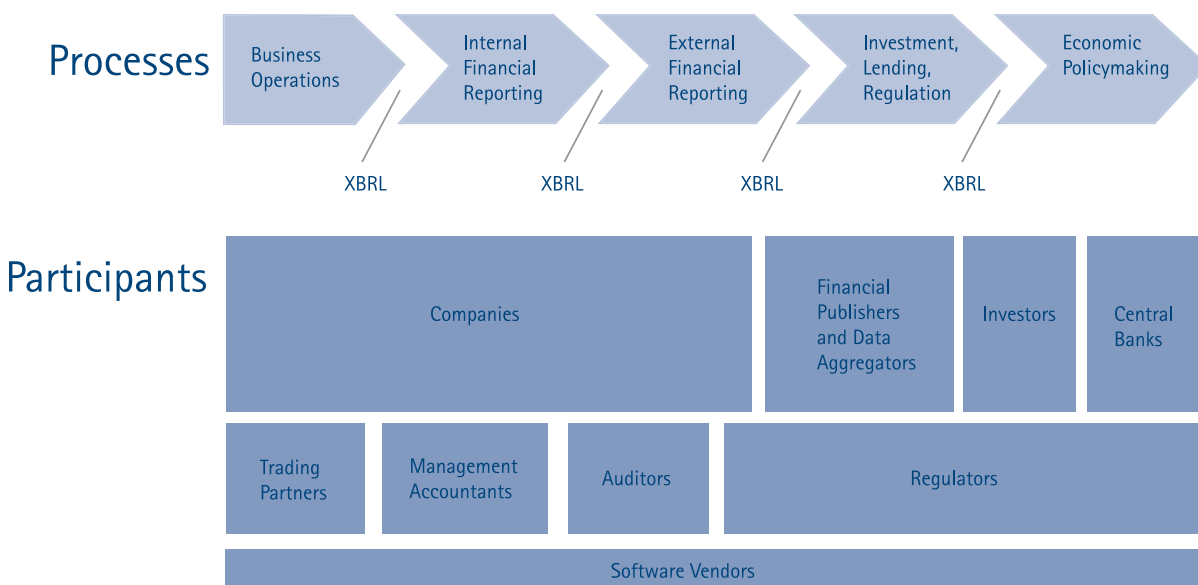
The enormous advantages of universally accepted labels:

- Every piece of reported data is identified and explained.
- Financial analysis can be automated: datasets can be instantly and accurately identified and processed by financial software.
- The labels are multilingual: they work regardless of language.
- They are international: they work with different accounting standards.
- They adapt to meet different requirements and uses.

How does XBRL affect my company and my role?

Whether you report business information or use the information, if you or your company are part of the business reporting supply chain illustrated below, then XBRL is about to become your world.

The Business Reporting Supply Chain



Source: XBRL.org

Changes for corporate finance professionals

For external reporting: By using XBRL, companies can quickly communicate more accurate data plus an unprecedented level of transparency. Benefits include:

- Reduced costs of automated data gathering and aggregation
- Efficient data validation
- Errors identified/corrected prior to disclosure filings
- Narrative explanations of valid data discrepancies embedded
- Faster speed to publishing
- Expedited reviews from the Securities and Exchange Commission for XBRL filings
- Leadership and reputation for transparency
- Improved communications: Companies can ensure that individuals are reviewing their numbers as they were depicted.

XBRL provides transparency through increased detail

Citigroup's balance sheet from the 2005 annual report in XBRL

Demand Deposit Accounts	
Demand Deposit Accounts - Noninterest Bearing	\$65,483,000,000
Demand Deposit Accounts - Domestic Noninterest Bearing	\$32,869,000,000
Demand Deposit Accounts - Foreign Noninterest Bearing	\$32,614,000,000
Demand Deposit Accounts - Interest Bearing	\$527,112,000,000
Demand Deposit Accounts - domestic interest Bearing	\$173,813,000,000
Demand Deposit Accounts - foreign interest Bearing	\$353,299,000,000
Demand Deposit Accounts	\$592,595,000,000
Deposits	\$592,595,000,000

Source: *I•Metrix from EDGAR Online*

Versus

Standard View

Liabilities and Shareholders' Equity					
Accounts Payable	0.0	0.0	0.0	0.0	0.0
Payable/Accrued	0.0	0.0	0.0	0.0	0.0
Accrued Expenses	0.0	0.0	0.0	0.0	0.0
Total Deposits	592,595.0	562,081.0	474,015.0	430,895.0	374,525.0

Source: *www.moneycentral.msn.com*

Here, the corporate finance officer has enhanced his firm's transparency to the capital markets by providing highly granular views of outstanding liabilities. In this example, Citibank has provided tremendous detail in the liabilities section of its balance sheet. A bank analyst or regulator could quickly see that Citibank has deposit accounts that are domestic and foreign for interest bearing and non-interest bearing accounts. Compare that to a more traditional view of Citibank's liability for demand deposit accounts.

For internal accounting: Although the primary push is for using interactive data to prepare financial statements, XBRL also works for internal company information, controls and compliance and reporting processes.¹ The larger the company, the more benefits there are to using XBRL enterprise-wide to automate business processes. Other clear benefits include:

- Analyze competitors and benchmark against industry peers
- Improve audits and analysis of M&A targets
- Integrate new acquisitions faster
- Communicate between autonomous business units using different accounting and ERP systems
- Automate aggregation of data from various software applications and databases

Changes for financial analysts

Financial professionals have long been dreaming about ways to capture corporate financial data from any source and seamlessly input it into any application they choose for instant analysis or report preparation. XBRL is what everyone wants: immediate access to more accurate, cleaner, less costly and more transparent data, in a non-proprietary format. Finally, analysts can spend time on making better informed investment decisions than they do on populating spreadsheets.

Faster access to better data



In this example, an analyst is pulling real-time business data directly from the web into an Excel spreadsheet along with fully granular financials in XBRL to drive a growth and valuation model. Because XBRL data is parsed and mapped electronically, it is the most accurate and timely dataset available.

¹The XBRL taxonomy includes general ledgers, accounts receivable ledgers, accounts payable ledgers, fixed asset ledgers, and a range of other ledgers and sub-ledger structures.

Currently, even if analysts know exactly what information they are looking for to use in their spreadsheets and models, they must spend enormous amounts of time collecting data from various sources. Assuming they keyed in or copied and pasted the numbers without errors or omissions; they then have to normalize the data so it can be used for comparative purposes. Even more time is required if they want to verify data that came from vendors who have already normalized the data using proprietary processes.

XBRL automates the entire process of data gathering and analysis—and can do it the instant a company reports its fundamental data.

Interactive data accounts for text as well as numbers

Scouring through text is an essential discipline for analysts who need to understand and interpret numbers, and to uncover any buried disclosures that would materially affect their business models. For all the hours spent reading small type and plowing through irrelevant information, it's easy to miss an item or to overlook its relationship to all reported numbers.

Interactive data solves this problem by enabling the tagging of numbers to associated text. In the Excel spreadsheet shown above, the user can right-click a number to access the associated text and then decide if the number needs to be adjusted or accepted as reported.

Accurate data can be instantly refreshed with new SEC information

Companies often file additional, critical information after filing their required annual or quarterly statements. These event-driven disclosures are often ignored because of the time and labor required for analysts to constantly research SEC filings and to update numbers manually into financial models. With XBRL, analysts will be able to monitor SEC filings and instantly, automatically, refresh their financial models with near real-time data.

Changes for auditors

SPEED is the most immediate benefit to anyone using interactive data, along with ACCURACY, THOROUGHNESS, and TRANSPARENCY. For the audit professional operating in the increasingly complicated Sarbanes-Oxley environment, interactive data can save significant time and client expense when performing key audit exercises such as anomaly detection and benchmarking.

Outlining a company's position in reference to all stakeholder groups is important in managing audit risk. Interactive data simplifies the process of doing comprehensive competitive reviews.

The transparency of XBRL can also help internal corporate auditors and audit committees ensure that their own company financials are without issue, thereby reducing their own exposure and personal liability when vouching for financial integrity.

Benchmarking the quick and easy way

Colgate Palmolive Co	Annual Ratios					
	LAST FISCAL YEAR					
	CL 1 2006	PG 3 2006	CLX 3 2006	AVP 1 2006	Peer Average	Peer Median
Financials						
Price	\$4.85	\$2.75	\$5.72	\$3.88	\$4.67	\$2.75
Market Cap (000)	\$6,229,800	\$1,397,500	\$3,893,300	\$1,312,200	\$5,416,400	\$1,312,200
Revenue (000)	\$11,396,800	\$56,741,000	\$4,368,600	\$8,149,600	\$23,092,867	\$8,149,600
Net Income (000)	\$1,251,400	\$7,257,000	\$1,006,000	\$887,600	\$3,066,867	\$1,006,000
Total Number of Shares Outstanding	514,667,000	3,261,470,000	176,566,000	486,280,000	1,358,112,000	\$486,280,000
Financial Ratios						
EPS	\$2.54	\$2.63	\$4.26	\$1.81	\$3.62	\$2.83
P/E	21.50	10.64	8.89	15.69	14.44	15.69
Price To Book	26.81	9.90	27.76	16.90	9.90	9.90
Price To Sales	2.40	3.08	2.24	1.81	2.31	2.24
Dividend	1.18	0.83	1.14	0.67	0.89	0.83
Dividend Yield	0.02	0.02	0.02	0.02	0.02	0.02
Dividend Payout	9.46	0.29	9.14	0.37	0.28	0.29
Liquidity Ratios						
Current Ratio	1.01	0.61	0.61	1.11	0.93	0.81
Quick Ratio	0.89	0.61	0.57	0.85	0.68	0.61
Cash Ratio	0.12	0.26	0.22	0.42	0.30	0.26
Inventory to Net Working Capital	0.02	0.29	0.06	1.61	0.24	0.29
Profitability Ratios						
Gross Margin	54%	51%	43%	62%	52%	51%
Operating Margin	19%	19%	19%	24%	17%	19%
Pre-Tax Margin	18%	18%	17%	14%	16%	17%
Profit Margin	12%	13%	25%	10%	16%	13%
Pre-Tax ROE	154%	80%	132%	142%	22%	80%
After Tax ROE	100%	42%	196%	103%	17%	42%
Pre-Tax ROA	24%	17%	20%	24%	20%	20%
After Tax ROA	16%	12%	30%	10%	20%	18%

A benchmarking study, which is part of most public audits, can take several weeks to complete, depending on the complexity of the company or industry and the amount of information to be gathered. XBRL reduces that time significantly by providing a single standard for comparing companies across sectors and industries. Because of the automated process of collecting, normalizing, and tracking data auditors can easily track and compare a long list of companies and show variances against the median.

All these examples demonstrate the use of an EDGAR Online subscription and a Microsoft® Office Excel Add-in.

Users pull XBRL-tagged SEC data through a data wizard or through a standard Excel function directly into a series of templates or into their own analytical models.

How can we get started?

There are a variety of ways to get started and a good number of highly reliable services and solutions already available. Your options depend on how you plan to use interactive data: for analysis, for internal management, or for external reporting. In any case, the first thing you need is software that understands the language.

The good news is that adoption of the technology is relatively simple and affordable. A recent CFO Magazine article² surveyed a variety of corporations that have adopted the technology for SEC filings. All reported only minor difficulties. One respondent who chose to outsource the process called the transition to XBRL "a non-event."

1. Your data may already be available in XBRL.

EDGAR Online was an early believer and participant in XBRL for financial reporting and analysis. The company has been instrumental in helping to build out the language for use with U.S. GAAP. It has also developed a full suite of I•Metrix tools and services for working with XBRL data.

²CFO, August 2006, "XBRL What?" Alix Nyberg Stuart

Right now, EDGAR Online automatically extracts and tags financial data from SEC filings the instant a company files its statements. The enhanced data is available instantly to financial professionals via online subscriptions. It covers a broad spectrum that includes fundamental data, institutional holdings, insider trades, IPO/SPO registrations, and access to global annual reports and conference call transcripts.

Currently, EDGAR Online is the only source for this interactive data on U.S. companies. As of October, 2006, this includes eight years of data from over 10,000 publicly-traded companies. Your company is most likely already among them.

2. You can create interactive data for your company.

Companies reporting to the SEC in XBRL are given expedited reviews, so speed is a great advantage (along with accuracy). There are a number of XBRL document readers that can translate financial data into XBRL format.

A number of ERP providers offer conversion tools, including SAP, Hyperion, and Cartesis. It should be noted that using these tools requires a company to have some understanding of XBRL and how to map the more than 1800 XBRL labels, or extend the list for internal use, in keeping with the U.S. GAAP (Generally Accepted Accounting Principles).

3. You can license XBRL analytic tools.

EDGAR Online also offers an I•Metrix suite of XBRL products and services. They are the only analytical tools currently available to instantly and automatically aggregate XBRL data. They automate and facilitate deep company and industry analysis including benchmarking, peer analysis, valuation modeling, scenario testing and contribution analysis.

4. You can outsource the solution to XBRL-tag your data.

The XBRL standards are open to all, so a company can always build its own XBRL application for reporting in XBRL. This is not recommended, however, unless you are prepared to support and upgrade the application.

Companies, such as RR Donnelley, already provide complete solutions for public companies' EDGAR and SEC Online filing needs. They can generate financial statements for immediate participation in the SEC XBRL Voluntary Filing Program.

In addition, RR Donnelley provides their clients with access to industry competitive XBRL data through the I•Metrix Microsoft Excel add-in, a Website, a visualization dashboard or a direct data feed with XBRL data from EDGAR Online, Inc. Through an easy to use wizard, the user can request different data types to create proprietary templates and models or use one of the pre-packaged models.

Other software vendors like Adobe, EDGAR Online, Microsoft, Oracle, Fujitsu, Hitachi, DecisionSoft, DynAccSys, Rivet Software, Semansys and UBmatrix also provide a range of XBRL solutions and services.

5. You can join the SEC Voluntary filing program.

As already indicated, one of XBRL's biggest supporters and promoters is Christopher Cox. As SEC Chairman he has called for companies voluntarily to switch to using interactive data systems for their financial reports and the Commission offers expedited reviews of reports filed in XBRL.

At present, a small group of industry leaders are reporting to the SEC in XBRL as part of its pilot program. This includes major public companies such as 3M, Bristol-Myers Squibb, Dow Chemical, GE, Microsoft, PepsiCo, Pfizer, United Technologies Corporation, and Xerox.

But what about our investments in the proprietary systems we use now?

XBRL is an overlying language, not a replacement of whatever systems a company is currently using. The whole idea behind XBRL, and the reason for its non-proprietary open standards, is so everyone can communicate financial information in the same language. It's freely available to anyone who wants to use it. And why would you not? More and more markets around the world are switching to XBRL as the language of choice. Imagine trying to communicate over the Internet with propriety software. The only people who could read your email would need to install your email program. The reason email works so well is that no matter which email application you use, it's compatible with all the others.

Do we have to?

On the other hand, if you were the only person in the world with an email application, it would be worthless. This brings us to the second big question on everyone's mind: It's not "What is XBRL? It's "Where is XBRL?" At what point will so many financial professionals be using and expecting it, that my company will simply have to join the game?

There is no doubt that the change is coming. And fast. It's still voluntary, but that could change.

Clearly, the companies that will have the greatest advantage are those that start today to assigned resources to

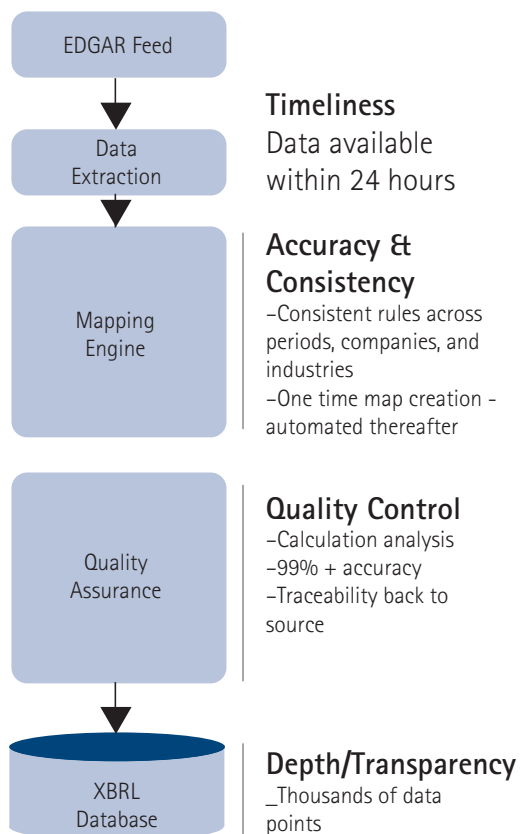
- learn about XBRL labels
- try the tools
- understand the process and costs, and
- explore their options.

Their advantage will be even greater should the SEC mandate the use of interactive data. XBRL is something that no company can afford to ignore.

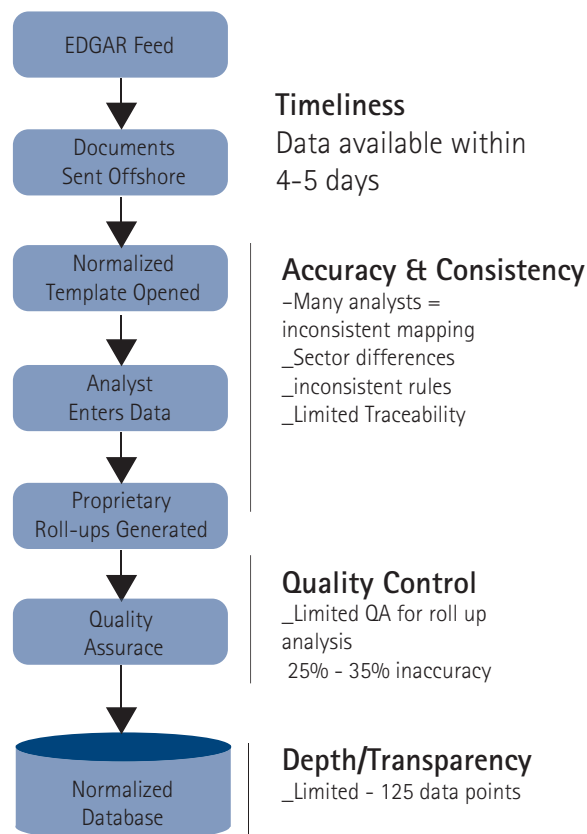
Speed, accuracy and consistency as data differentiators

EDGAR Online's proprietary data extraction technologies differentiate our services against competitors.

EDGAR Online



Other Data Providers



"Imagine retail investors having access to better numbers than professional analysts ever dreamed of, and imagine combining this accuracy with the power to mix and match, and to compare and analyze those numbers."

SEC Chairman Christopher Cox, May 30th, 2006

How fast is it coming?

As a global language XBRL is still in the early, uneven stages of adoption but in every major market, its use is accelerating.

"This can't come a minute too soon," according to SEC Chairman Christopher Cox. "We are still today relying on the open-cry pit system of the 1700s and the printed page of the Gutenberg press of the 15th century," he said. "This won't do any longer."

His strong words are based on the "precipitous" drop in investment research by Wall Street firms and the "unacceptably high" errors in corporate financial statement data reported to the SEC. One study sets the error rate at 72%. In comparison, the accuracy rate soared to 99% in the SEC's pilot program involving EDGAR Online.

In the United States, XBRL is ready for widespread use. In fact, Chairman Cox announced on September 25, 2006 that the EDGAR system will be modernized to leverage XBRL. The press release states that the \$54 million investment by the SEC "demonstrates the Commission's firm commitment to interactive data and represents a significant milestone on the road to achieving that goal," said SEC Chairman Christopher Cox. "The new system will make it easier both to file information with the Commission, and to use it. For investors and analysts, it will represent a quantum leap over existing disclosure technologies. For companies, it will mean easier and less costly compliance with SEC requirements."

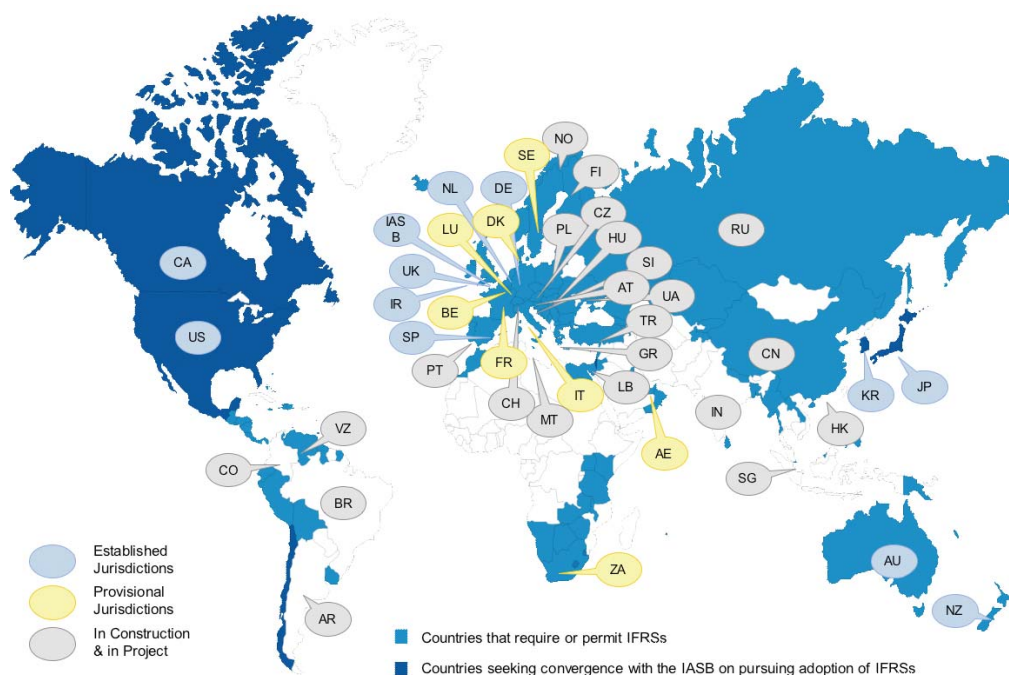
The Future of Financial Reporting Is Here

The Federal Deposit Insurance Corporation (FDIC) is using XBRL right now in a large scale modernization project designed to save costs and streamline its processes for collecting and reporting quarterly financial information. Banks have between 30 and 45 days at the end of the each quarter to release financial reporting information, and it takes another minimum of two weeks for regulators to complete their benchmarking and monitoring. The banks still have the 30 to 45 days to report, but with XBRL reports the regulators are able to report information as soon as five days after all banks have filed.

XBRL is predicted to be adopted as rapidly by the financial industry as was the Web, once its clear benefits became obvious. Also, over two-thirds of the 21 largest software vendors already include XBRL capabilities in their products, which will help drive its use.

Clearly the way financial and business reporting data is prepared, communicated and analyzed is fundamentally changing. XBRL is not about the technology. It is about communicating your business information accurately, effectively and in real time to the electronic marketplace. While the U.S. has not been at the forefront in the changing world of financial reporting it has the opportunity to create a leadership position by making a rapid transition.

The Current State of XBRL Adoption



- China – The China Securities Regulatory Commission has mandated XBRL filings for all public companies and sponsored related projects at the stock exchanges in China. There are currently reports from over 1,500 companies available in XBRL from the Shanghai and Shenzhen Stock Exchanges.
- Japan – The Financial Services Agency has incorporated XBRL into EDINET, the statutory disclosure system. The Tokyo Stock Exchange has established an XBRL site to facilitate its use. And The Bank of Japan is developing an XBRL system for gathering data from 500 financial institutions.
- Spain – The Spanish Stock Exchange has already begun using XBRL for receiving and distributing public reports from more than 3,000 listed companies and currently has over 20,000 company reports available in the XBRL format. The Banco de Espana is also currently receiving regulatory data in XBRL from banks in the Spanish market and has also developed a Financial Information Exchange System to support XBRL reporting by credit institutions.
- Netherlands – In “The Dutch Taxonomy Project,” all governmental agencies are collaborating to use XBRL to reduce administrative burdens of businesses by 25 percent in four years, an annual estimated commercial savings of 1 billion.
- United Kingdom – Revenue & Customs (HMRC) began to accept corporate tax computations in XBRL online. The UK government plans to make XBRL mandatory for filing company accounts and tax returns in 2010.

- United States - US Bank regulators moved to an XBRL format for specific regulatory reports for all US financial services company in October 2005 and are currently expanding the scope of this project to other reports. The Securities and Exchange Commission has an ongoing XBRL Voluntary Filing Program and has just funded a program to bring Interactive Data to the public disclosure system within 18 months.

Who's in charge of the party?

The development of XBRL is an impressive story of how industry leaders from around the world voluntarily came together to solve a common problem. The goal was to create a single, universal language for digitizing and sharing business information. In the less than eight years since the XBRL International organization was formed, nearly all major financial markets worldwide are using, or about to use this new standard.

Fortunately they didn't have to start from zero. XBRL is a derivative of Standard Generalized Markup Language (SGML), commonly used to share data from different systems over the Internet. But the language had to be built out specifically for communicating financial information. eXtensible Business Reporting Language needed to accommodate each country's national language and had to be compatible with all the different accounting rules or reporting regimes such as banking regulations or performance benchmarking.

EDGAR Online is a charter member of the international organization and a major player in the U.S.. The company has led the development of the XBRL taxonomies (various categories and accounting structures) to work in the U.S. GAAP. These are the Generally Accepted Accounting Practices that accounts must follow in preparing financial statements for publicly traded companies.

Initially, XBRL International members were mainly accounting firms, but now it's everyone from everywhere: financial services firms, regulators, information intermediaries, software vendors, academics—a not-for-profit consortium of over 450 companies and agencies. Interested parties are invited to join the fun.



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